

May 17, 2022

POTTSTOWN BOROUGH AUTHORITY

CALL TO ORDER

Chairman Chomnuk called the meeting to order at 7:00 p.m.

ATTENDANCE

Present were Mike Benner, Jeff Chomnuk, Tom Carroll, Aram Ecker, and David Renn. Also in attendance were Solicitor Vincent Pompo, Authority Manager Justin Keller, Engineer Cory Salmon, Public Works Director Doug Yerger, Utilities Director Brent Wagner, Bookkeeper Gerry Keszczyk (virtual) and Borough Secretary Virginia Takach.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Mr. Benner moved to approve the April 19, 2022 minutes as presented. Mr. Renn seconded the motion and it passed unanimously.

COMMITTEE REPORTS

Authority -Townships Meeting

Mr. Keller provided a report on Mr. Carroll's behalf. He noted that there was a discussion regarding HRG's recommendation for the Industrial Highway meter, with the suggestion for another type of meter. This is listed for discussion on the agenda.

AUTHORITY MANAGER'S REPORT

Mr. Keller reported that the PECO paving is complete and the line painting is underway. He added that there were two utility cuts necessary after the paving, one in the 300 block of High Street and another further east and will be primarily in the parking and bike lane areas.

Mr. Keller advised that the I & I report was presented to Council for tracking data for sump pumps and floor drains, in addition to the annual contribution of \$50,000 and both were well received. Mr. Keller also provided an update on the PENNVEST funding, which was rejected last month. He noted that a meeting was held with Representative Ciresi and staff is looking at a grant to off-set the PENNVEST loan. He is expecting some requirements of the loan to be changed most likely next year. He suggested that the formal rejection letter has not been sent and recommended postponing it until the January 2023 deadline. Mr. Keller added that an application was submitted to Montgomery County for \$6 million in lead line funding, which is within the public health crisis criteria. He added that if the Borough is aware of a lead line, it is mandated to replace it.

Mr. Cory added that the requirements for permitting under the ARPA funding are not as strict as the PENNVEST funding requirements.

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It was the consensus of the Board to not send the rejection letter at this point.

SOLICITOR'S REPORT

Solicitor Pompo referred to the report distributed. He reviewed Act 18 of 2022, with changes to the construction contracts, advising that after advertising twice, with no bid results, an Authority and the Borough can sole source the contract and negotiate. The Act takes effect June 18, 2022. Solicitor Pompo also updated the Board on the sale of the Upper Pottsgrove Township sanitary sewer system to PA American Water. He noted that certain controls and electrical equipment do not exactly match what the Authority uses, which equipment will essentially be dedicated to the Authority. He suggested that the Board allow Aqua to take water as needed for a time period, approximately 90 days, and change out as required and submit as-built plans. Attorney Pompo recommended no action at this time, but to set up terms in a letter agreement and when finalized with as-built plans, amend the bulk water agreement with the new plan, in order to maintain one document.

ENGINEER'S REPORT

Mr. Salmon referred to the written report and noted that no specific items need to be addressed.

UTILITIES DIRECTOR'S REPORT

Mr. Wagner reported that the Air Scour piping has been installed and will be breaking ground on the pole building approved last month. He added that he is awaiting a permit from West Pottsgrove Township. He noted that the parts for the UV system are expected by the end of the month.

Mr. Wagner reported a recent incident at the Wastewater Treatment on May 8th related to a major storm event and a car accident in Lower Pottsgrove Township that caused power blips in the system and the Porter Road Pump station. This caused a major surge and overflowed the aeration tanks. When discovered, DEP was notified immediately, but not within the 4 hours of occurrence and a Notice of Violation was received. Liquid hit the River but no sludge. Mr. Wagner added that action is being taken to automate the system.

Mr. Wagner reported that in June or July, the dryer will be down to replace the belt and remove the hopper. He also provided a personnel update with an offer being made for a Lab Tech.

PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that the water crew will begin flushing next week and finish within 6 weeks. He is postponing the replacement of the 20" valve on West King Street until flushing is done. He also advised that on the sewer side, the 60 manhole frames and lids will start to be replaced next week.

FINANCE REPORT

Mr. Keszczuk reported expenses are still well within budget through 1/3 of the year. He added that the water revenues are at 32% received and expenses at 30%. The sewer revenues are at 38% and expenses at 19% year-to-date. He added that the bulk revenue is over budget for the year by \$21,000 with \$200,000 budgeted monthly for bulk sewer revenue. The sludge disposal expense is under budget by \$56,000 to date. Mr. Keszczuk reported that the 2021 Audit is complete with no findings. He is awaiting the Borough's audit.

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Mr. Keszczyk reviewed the sewer capital plan for the next three years. He is holding off on the water capital plan until the two large projects are completed. He also noted that the plans and priorities are subject to change, adding that the 15-year plan is more feasible and manageable than trying to complete projects within 5-10 years and requested the Board's approval to move forward. He also advised that the Townships are provided the budgets in September.

Mr. Wagner requested authorization to proceed with a purchase order for the Valve Replacement project for the Wastewater Treatment Plant as outlined in the Sewer Capital Plan dated May 9, 2022 and explained the long lead time to obtain the valve and the lack of an Authority meeting of the Board in June.

Motion by Mr. Carroll, seconded by Mr. Benner to amend the May 17, 2022 Pottstown Borough Authority agenda to add the authorization to prepare a Purchase Order for the Return Activated Sludge Valve Replacement project for the Wastewater Treatment Plant and to be in compliance with Act 65 of 2021. Motion carried: 5 ayes.

Motion by Mr. Benner, seconded by Mr. Carroll to authorize the purchase of the Return Activated Sludge Valve Replacement equipment for the Wastewater Treatment Plant in the amount of \$625,000. Motion carried: 5 ayes.

Solicitor Pompo confirmed that the amended agenda and motion shall be posted on the website on the next business day, May 18, 2022, as required under Act 65.

OLD BUSINESS

Removal Lower Pottsgrove Industrial Highway Meter – Update

Mr. Salmon provided two options for Lower Pottsgrove with the intent to eventually replace the existing meter. The first option is to request that Lower Pottsgrove replace the meter, at an estimated total cost of \$20,000 - \$25,000. The second option is to bill the Township for the property flow on an average flow per EDU until the water usage meets or exceeds that valve or 7,200 gpd. Mr. Cory noted that the agreement states that the decision is at the sole discretion of the Engineer in this matter but wanted to make the Board aware.

It was the consensus of the Board to take the recommendation of HRG to allow the Township, the second option on a temporary basis, no later than June 2023, to budget for and replace the Industrial Highway Meter.

Replacement of Water Meters/Use of Sewer Revenues – Update

Mr. Keller reminded all of the discussion regarding the use of sewer funds as sewer usage is tracked through the water meter and if the sewer fund could pay 50% of the cost of the water meters.

Solicitor Pompo explained that under Act 73, the use of Authority funds, relates to authorized purposes of the Authority, which includes water as well as sewer. He added that 50% is a reasonable basis for funding.

Mr. Keller added that he would prefer to finalize the existing projects prior to addressing this endeavor.

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NEW BUSINESS

PAED Annual Report, Peggy Lee-Clark, Executive Director

Ms. Lee-Clark provided the 2021 Annual Report to the Board, highlighting the accomplishments of 2021 and looking towards 2022 and the future developments for the Borough.

The Board thanked Ms. Lee-Clark for her efforts in bringing development and events to the downtown.

She stated Mr. Hylton's comments, noting that "although people complained about the back-in parking, every spot was filled" during last week's events.

Approve Utility Connection pursuant to Act 90 for 215 South Washington Street

Mr. Keller explained that the owner is trying to continue work on this property, but the Borough has the water shut off, due to the delinquent and unpaid utility accounts. He added that the Borough follows the requirements under Act 90, prohibiting new permits to be issued if the owner has outstanding delinquent accounts. Mr. Keller advised that the owner came to Council requesting forgiveness of the amounts in exchange for deed restrictions for uses on this property. He added that Council granted approval for a junior lien to be placed on the property in order for the owner to obtain financing for a construction loan and in turn present a business plan acceptable to the Borough. Mr. Keller explained the situation of not being able to get tenants until certain work is complete and cannot get permits until the delinquent accounts are paid and cannot get funding until he obtains relief on the encumbrances.

Mr. Keller requested that the owner be allowed to make water and sewer connections outside of the Act 90 restrictions. The owner would be held accountable for any other delinquencies under Act 90. He referred to the applications received on this date requiring EDU's for the property. Mr. Keller explained that the Authority's previous approval was predicated on the owner providing a business plan.

Chairman Chomnuk noted that the Borough would be looking for the Authority to grant authorization to grant a waiver of Act 90 and no action is required on the forgiveness of the outstanding taxes and utilities of \$201,260.71.

Solicitor Pompo commented that Act 90 states that the Borough cannot issue permits if delinquencies exist but the entity that holds the delinquencies can advise the issuing municipality that there is a delinquency and hold everything up or, notwithstanding delinquency, can say it will allow the issuance of permits, i.e. the connection permits. He added that if the Borough wants this to happen, it would be looking for the Authority to allow the Borough to issue the permits, subject to the same conditions that the Authority approved in July 2021, wherein there was a motion to follow the Borough and allow the Borough to issue the permits notwithstanding Act 90, with the Borough still having the final say.

Mr. Ecker express a concern regarding the Permits charging a tap-in fee when water and sewer already exist. He noted he will be abstaining from voting as he has a business affiliation with the property.

Solicitor Pompo and Chairman Chomnuk requested no further comments or participation from Mr. Ecker on this matter.

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Mr. Yerger advised that the owner could connect to the fire hydrant if needed.

Mr. Benner commented that the Authority waived a previous debt in order for him to start construction.

Mr. Yerger advised that the sprinkler fee could be addressed at a later time and he would amend the applications.

Solicitor Pompo noted that the general rule is that the EDU's run with the property. He added that the permits can be withheld until the appropriate entity obtains a letter from the associated entity that the property in question has no appealable tax, water, sewer, refuse delinquencies. A motion would serve as the letter, waiving the Authority's rights under Act 90.

After a brief discussion among the Board members and Mr. Yerger, Mr. Carroll moved to approve the Borough issuing the permits for the water and sewer connections for the property located at 215 South Washington Street waiving the tap-in fees for up to three EDU's, subject to the same conditions that the Authority previously set on the waiver of delinquencies. Mr. Benner seconded the motion. The motion carried: 4 ayes, 1 abstention. Mr. Ecker abstained from voting.

Sanatoga Water Main Relocation work incorporated into PennDOT's Contract

Mr. Salmon reviewed the bid for the Relocation project, which was initiated with PennDOT. He advised that if working with an independent contractor, it can be a 50%/50% split. If incorporated into PennDOT's work, no additional fees will be added and will result in a 75%/25 % split with the Authority being responsible for only 25% of the project. HRG is recommending a change to incorporate the already signed documents. It will now be PennDOT's responsibility, with only the easement with PennDOT outstanding regarding some off-road water main within its right-of-way.

Mr. Benner moved to approve the Sanatoga Water Main relocation work to be incorporated into PennDOT's contract as recommended by HRG. Mr. Carroll seconded the motion and it passed unanimously.

Term Expiration

Mr. Carroll announced that his term ends at the end of this year and with his personal business, he is not able to completely fill his obligations with the Authority. His intension is to continue on the Board until the end of the year, if the Board desires, but will not seek reelection for another term and suggested the Board begin to seek another qualified candidate.

ADJOURNMENT

The meeting adjourned at 8:40 p.m. on motion by Mr. Benner.

Submitted by,

Virginia L. Takach, Borough Secretary
for Thomas Carroll, Secretary